

**Purpose** Outline the steps the local agency WIC vendor manager should follow when reviewing bank rejected WIC checks.

**Overview** There are 9 reasons checks will be rejected for payment. The following is the list of these reasons, the action to be taken, and the documentation required. The vendor may detect an error on a check and send it to the local agency WIC vendor manager prior to depositing the check in the bank. The action of the local agency WIC vendor manager outlined in this policy includes both those checks rejected by the bank and those checks with errors detected by the vendor and sent to the local agency prior to depositing the checks in the bank.

**Special Note:** In review of all problem checks, the amount paid must be justified as per the procedure outlined earlier in this section, pages 1a – 1g. The justified amount must meet cost containment guidelines and thus, be within the not-to-exceed amount for the specific food instrument type for the redeeming vendor's peer group. If a reviewed amount is over the not-to-exceed amount, contact the State WIC vendor management coordinator to discuss.

**Reasons for  
Rejection**

1. Missing "Purchase Amount"

Action of Local Agency WIC Vendor Manager

- Justify the amount for which the vendor is requesting that the check be paid.
- A vendor replacement check will have to be issued for the justified amount. The original check should be voided.

Documentation/follow-up

- Justification of the "Purchase Amount" is required. The copy of the original check, voided, and the vendor replacement check must also be in the vendor's file. Document the check on the Problem Check Log Sheet, example page 1g, earlier in this section.

2. Altered "Purchase Amount"

Action of Local Agency WIC Vendor Manager

- Justify the amount for which the vendor is requesting that the check be paid.
- If the check has not been microcoded and it appears to be a legitimate error and the amount in the "Purchase Amount" box is justifiable, then the check can be stamped for approval, initialed, and the justified amount written on the approval stamp.

- If the check has been microcoded and the microcoded amount is the same as the justified amount then the check can be stamped for approval, initialed, and the justified amount written on the approval stamp.
- If the amount on the check cannot be justified or the microcoded amount on the check is not the justified amount or the amount is not legible, then a vendor replacement check will have to be issued for the proper amount. The original check should be voided.

#### Documentation/follow-up

- Justification of the "Purchase Amount" is required. A copy of the check with the approval stamp or the copy of the original check, voided, and the vendor replacement check must also be in the vendor's file. Document the check on the Problem Check Log Sheet, example page 1g, earlier in this section.
- If payment is reduced or the check is not paid, a copy of the voided check along with a copy of the completed form letter, example page 1e, earlier in this section, should also be in the vendor's file.

### 3. Purchase Amount Exceeds the Not to Exceed Amount

#### Action of Local Agency WIC Vendor Manager

- Justify the amount for which the vendor is requesting that the check be paid.
- If the check has not been microcoded and the amount in the "Purchase Amount" box is justifiable, then the check can be stamped for approval, initialed, and the justified amount written on the stamp.
- If the check has been microcoded and the microcoded amount is, the same as the justifiable amount, then the check can be stamped for approval, initialed, and the justified amount written on the stamp.
- If the amount on the check cannot be justified or the microcoded amount on the check is not the justified amount or the amount is not legible, then a vendor replacement check will have to be issued for the proper amount. The original check should be voided.

#### Documentation/follow-up

- Justification of the "Purchase Amount" is required. A copy of the check with the approval stamp or the copy of the original check, voided, and the vendor replacement check must also be in the vendor's file. Document the check on the Problem Check Log Sheet, example page 1g, earlier in this section.
- If payment is reduced or the check is not paid, a copy of the voided check along with a copy of the completed form letter, example page 1e, earlier in this section, should also be in the vendor's file.

### 4. Missing Authorized Signature

#### Action of Local Agency WIC Vendor Manager

- Justify the amount for which the vendor is requesting that the check be paid.
- Verify that the check has not been reported as lost or stolen. If reported as lost or stolen, please contact the State WIC vendor management coordinator to discuss the check in question.
- If the check has not been microcoded and the amount in the "Purchase Amount" box is justifiable, then the check can be stamped for approval, initialed, and the justified amount written on the stamp.
- If the check has been microcoded and the microcoded amount is the same as the justifiable amount, then the check can be stamped for approval, initialed, and the justified amount written on the stamp.
- If the amount on the check cannot be justified or the microcoded amount on the check is not the justified amount or the amount is not legible, then a vendor replacement check will have to be issued for the proper amount. The original check should be voided.

#### Documentation/follow-up

- Justification of the "Purchase Amount" is required. A copy of the check with the approval stamp or the copy of the original check, voided, and the vendor replacement check must also be in the vendor's file. Document the check on the Problem Check Log Sheet, example page 1g, earlier in this section.
- If payment is reduced or the check is not paid, a copy of the voided check along with a copy of the completed form letter, example page 1e, earlier in this section, should also be in the vendor's file.
- Document follow-up with the vendor by completing the Nebraska WIC Program Vendor Integrity Follow-up Report. Document follow-up with the participant by completing the Participant Integrity Follow-up Form.

#### 5. Missing Vendor Stamp Number

**Special Note:** With this edit, if the check is returned by *Solutran*, the vendor may stamp the check with their Nebraska WIC authorized vendor number stamp in the "Pay to the Order of" box on the front of the check and then redeposit the check for payment. If the vendor sends the check over to the Local Agency WIC Vendor Manager, proceed as outlined below.

#### Action of Local Agency WIC Vendor Manager

- Send any check back to the vendor that has **only** the vendor stamp missing.
- No review is needed as the vendor can stamp this check with their

Nebraska WIC authorized vendor number stamp in the “Pay to Order of” box on the front of the check and then redeposit the check.

- The Local Agency WIC Vendor Manager should remind retail staff that they do not need to send them a check returned for missing vendor stamp by sending the completed form letter, example page 1e, earlier in this section to the retailer.

## 6. Unreadable Vendor Stamp Number

**Special Note:** With this edit, if the check is returned by *Solutran*, the vendor may stamp the check with their Nebraska WIC authorized vendor number stamp in the “Pay to the Order of” box on the front of the check and then redeposit the check for payment. If the vendor sends the check over to the Local Agency WIC Vendor Manager, proceed as outlined below.

### Action of Local Agency WIC Vendor Manager

- Send any check back to the retailer that has **only** an unreadable vendor stamp.
- No review is needed as the retailer can stamp this check with their Nebraska WIC authorized vendor number stamp in the “Pay to Order of” box on the front of the check and then redeposit the check.
- The Local Agency WIC Vendor Manager should remind retail staff that they do not need to send them a check returned for unreadable vendor stamp by sending the completed form letter, example page 1e, earlier in this section to the retailer.

## 7. Invalid Vendor Stamp Number

### Action of Local Agency WIC Vendor Manager

- The check will not be paid, unless the vendor provides documentation that the vendor stamp number was valid upon deposit.
- If paid, the original check should be voided and a vendor replacement check issued for the justified amount.

### Documentation/follow-up

- If the check is paid, justification of the “Purchase Amount” is required. A copy of the original check, voided, and the vendor replacement check must also be in the vendor’s file. Document the check on the Problem Check Log Sheet, example page 1g, earlier in this section.
- If the check is not paid, a copy of the voided check along with a copy of the completed form letter, example page 1e, earlier in this section, should also be in the vendor’s file.
- Document the check on the Problem Check Log Sheet, example page 1g, earlier in this section.

- Document follow-up with the vendor by completing the Nebraska WIC Program Vendor Integrity Follow-up Report. Document follow-up with the participant by completing the Participant Integrity Follow-up Form.

## 8. Missing Purchase Date

**Special Note:** With this edit, if the check is returned by *Solutran*, the vendor may complete the purchase date in the “Purchase Date” box on the front of the check and then redeposit the check. If the vendor sends the check over to the Local Agency WIC Vendor Manager, proceed as outlined below.

### Action of Local Agency WIC Vendor Manager

- Send any check back to the retailer that has **only** a missing purchase date.
- No review is needed as the retailer can complete the purchase date in the “Purchase Date” box on the front of the check and then redeposit the check.
- The Local Agency WIC Vendor Manager should remind retail staff that they do not need to send them a check returned for missing purchase date by sending the completed form letter, example page 1e, earlier in this section to the retailer.

## 9. Check submitted for payment 70 days (60 days plus 10 days for bank processing) from the “First Date to Use”

### Action of Local Agency WIC Vendor Manager

- A check must be through the banking system by 70 days (60 days plus 10 days for bank processing) from the first date to use. A check, which does not meet this time frame, **cannot** be paid.
- Contact the State WIC vendor management coordinator for those checks which are in question.

### Documentation/follow-up

- Document the check on the Problem Check Log Sheet, example page 1g, earlier in this section. A copy of the voided check along with a copy of the completed form letter, example page 1e, earlier in this section, should also be in the vendor's file.

## Other Problem Checks

In addition to the problems outlined, there may be other situations that arise concerning checks. Contact the State WIC vendor management coordinator to discuss.